

HOUSE OF REPRESENTATIVES

Competitive Commerce Council

Representative J. D. Alexander, Chair
Representative James "Hank" Harper, Jr., Vice Chair

2002 SUMMARY OF PASSED LEGISLATION SPECIAL SESSION "E"



Agriculture Committee

Representative Joseph R. "Joe" Spratt, Chair
Representative Will S. Kendrick, Vice Chair

Banking Committee

Representative Mark G. Flanagan, Chair
Representative Phillip J. Brutus, Vice Chair

Economic Development & International Trade Committee

Representative Manuel Prieguez, Chair
Representative Jeffrey H. "Jeff" Atwater, Vice Chair

Insurance Committee

Representative Leslie Waters, Chair
Representative David Simmons, Vice Chair

Tourism Committee

Representative Allen Trovillion, Chair
Representative Sally Heyman, Vice Chair

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Competitive Commerce Council

HB 3-E, 2nd ENG. – Governmental Reorganization

By Alexander & others

Linked Bills: None

Tied Bills: Compare CS/SB 42-E; SB 26-E

Committee(s)/Council(s) of Reference: Referred to House Calendar

House Bill 3-E, 2nd ENG., implements provisions of Constitutional Revision 8, adopted by the voters in November 1998. Among other things, that revision abolished the Cabinet offices of Comptroller and Treasurer and replaced them with the new Cabinet office of Chief Financial Officer, effective January 7, 2003. Revision 8 was silent on the issue of duties assigned by statute (but not by the Constitution) to the Comptroller and the Treasurer. By statute, the Comptroller is the head of the Department of Banking & Finance and the Treasurer is the head of the Department of Insurance (known as the Insurance Commissioner) and the State Fire Marshal.

Effective January 7, 2003, the bill creates a new Department of Financial Services to carry out the Chief Financial Officer's constitutional duties and replace the current Departments of Banking & Finance and Insurance. Certain insurance and financial services regulatory functions will be under a new Financial Services Commission which is administratively housed within, but independent of, the new department.

The Chief Financial Officer will serve as head of the new Department of Financial Services. Divisions that will be under the Chief Financial Officer are: Accounting and Auditing (which includes unclaimed property), State Fire Marshal, Risk Management, Treasury (which includes the state employees' deferred compensation program), Insurance Fraud, Insurance Agents and Agencies Services, Consumer Services (which includes regulation of funeral and cemetery services), Workers' Compensation, Administration, Legal Services, Information Systems, and Insurance Consumer Advocate.

The bill establishes the Financial Services Commission, consisting of the Governor and the three members of the Cabinet (Chief Financial Officer, Attorney General, and Agriculture Commissioner) as an independent entity administratively housed in, but independent of, the new department. The commission will be responsible for regulation of insurance companies and similar entities, banks, credit unions, financial institutions, finance companies, and the securities industry. The commission will set policy through rulemaking and oversight. Three votes are required for any action.

The Office of Insurance Regulation is responsible for regulation of insurance companies and other risk-bearing entities, including licensing, rates, forms, solvency, claims, adjusters, market conduct, viatical settlements, and premium financing. The Office of Financial Institutions and Securities Regulation is responsible for banks, credit unions, financial institutions, finance companies, and the securities industry. The Director of each Office is appointed by, and serves at the pleasure of, the commission, with a requirement that both the Governor and the Chief Financial Officer must concur in appointment and removal. The bill requires appointees to have at least 5 years' relevant private sector or public sector experience within the preceding 10 years.

In connection with the creation of the new department and commission, the bill also:

- Creates a transition committee to oversee the transition and make recommendations.
- Provides for legislative staff, with the cooperation of the Division of Statutory Revision, to prepare a bill to conform the text of the Florida Statutes to the policy decisions reflected in the bill.
- Provides legislative intent that, from January 7 through June 1, 2003, appointment powers currently vested in the Comptroller, Treasurer, Insurance Commissioner, and State Fire Marshal will be deemed powers of the Chief Financial Officer.
- Transfers personnel, funds, and property to the new department and commission consistent with the new regulatory and administrative structure.
- Authorizes the Executive Office of the Governor, subject to the approval of the Legislative Budget Commission, to transfer funds and positions between agencies as needed to implement the bill.

The bill also addresses several other issues (effective upon becoming a law, except as noted below):

- It creates the Firefighter Occupational Health and Safety Act under the State Fire Marshal (same as CS/HB 135 from the 2002 Regular Session).
- It specifies that local ordinances cannot override emergency orders of the Agriculture Commissioner.
- It provides that certain positions inadvertently transferred out of the Agency for Health Care Administration by ch. 2002-194 (CS/HB 1643, relating to the Department of Labor & Employment Security) will remain with the agency.
- It provides for appointments to the board of the Florida Healthy Kids Corporation by the Chief Financial Officer, and adds two members appointed from recommendations of the Florida Association of Counties, one appointed by the Chief Financial Officer to represent rural counties and one appointed by the Governor to represent urban counties.
- Effective June 30, 2002, it revises the Small County Technical Assistance Program by updating provisions to reflect the 2000 census, expanding the scope to address economic and community development issues, and moving the program from the Comptroller to the Commissioner of Agriculture (part of CS/HB 1343, 2002 Regular Session).
- It revises various provisions relating to Certified Capital Companies ("CAPCO") and provides \$15 million in insurance premium tax credits for a second round of CAPCO investments (similar to CS/HB 243, 2002 Regular Session).
- It provides that insurance agents may sell certificates of deposit without being licensed as securities dealers.

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law (some provisions take effect January 7, 2003).

Economic Development & International Trade Committee

SB 40-E, 1st ENG. – Economic Development

By Clary

Linked Bills: None

Tied Bills: Similar HB 49-E

Committee(s)/Council(s) of Reference: Commerce and Economic Opportunities

The bill:

- Amends the Rural Infrastructure Fund to allow the funds to match state grant program, not just federal grant programs. This will make the program more effective in rural areas.
- Amends the Economic Development Trust Fund to improve the efficiency of the budget process of the Qualified Defense Contractor (QDC) and Qualified Target Industry (QTI) tax refund programs. Also requires Enterprise Florida, rather than OTTED, to prepare an annual report on programs funded through the trust fund.
- Amends the Qualified Defense Contractor Tax Refund Program (QDC) to temporarily allow QDC businesses to continue in the program when targets are not met due to economy (or specific acts of terrorism), provide additional conditions for prorated QDC tax refunds, and improve the efficiency of the budget process.
- Amends the Qualified Target Industry Tax Refund Program (QTI) to temporarily allow QTI companies to continue in the program when targets are not met due to economy (or specific acts of terrorism), provide additional conditions for prorated QTI tax refunds, and improve the efficiency of the budget process.
- Amends contractor licensure exam eligibility to allow persons with construction experience and education to sit for the contractor exam without college-level courses in engineering, architecture, or building construction.
- Removes language which allowed the combining of certain incentive reports in a single annual report prepared by the Governor's Office of Tourism, Trade, and Economic Development. This conforms to changes in the bill which re-assigns incentives report responsibility from OTTED to Enterprise Florida.

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law.
